

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6278**

**BILL NUMBER:** HB 1101

**NOTE PREPARED:** Dec 22, 2009

**BILL AMENDED:**

**SUBJECT:** Management of Small Lakes.

**FIRST AUTHOR:** Rep. Dodge

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill reduces from 10 acres to 5 acres the size of a lake for which certain laws restrict projects that will or are likely to lower the water level of the lake. It reduces from 20 acres to 5 acres the size of a lake that is subject to the prohibition against lowering the water level of a lake more than 12 inches below the high water mark established by a dam or other artificial device creating the lake.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** There could be a potential cost to the Department of Natural Resources (DNR) as a result of lowering the acreage of lakes from 10 to 5 acres in IC 14-26-5. Costs would be associated with the construction of a lake level control structure to maintain the normal level of a given lake. IC 14-26-8 provides a mechanism for the county to initiate legal action to establish the maintenance level of a lake. If a structure is needed, the statute provides that the DNR may be responsible for 50% of the cost of the project (14-26-8-24(2)). Costs to the DNR for such a project could vary from \$10,000 to \$75,000.

Additionally, the DNR could receive additional applications as a result of this proposal, which would increase administrative expenses. The bill's requirements are within the DNR's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

**Explanation of State Revenues:** The DNR could see an increase in revenue associated with issuing permits on the newly regulated lakes. The revenue increase will depend on the number of permit requests. A person who requests a permit to lower lake levels must pay a \$25 fee, which is deposited in the Land and Water Resources Fund, which is used to finance operations of the DNR Division of Water.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DNR.

**Local Agencies Affected:** Counties.

**Information Sources:** Chris Smith, Legislative Liaison, DNR, 402 W. Washington St. W256, Indianapolis, IN 46204-2739, [csmith@dnr.IN.gov](mailto:csmith@dnr.IN.gov), 317/233-6904.

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